

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 2571

03/08/2016 Authored by Sundin

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy

1.1 A bill for an act  
1.2 relating to local government; amending laws relating to the Cloquet Area Fire  
1.3 and Ambulance Special Taxing District; amending Laws 2009, chapter 88, article  
1.4 2, section 46, subdivisions 1, as amended, 2, 3, as amended, 4, 5.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Laws 2009, chapter 88, article 2, section 46, subdivision 1, as amended by  
1.7 Laws 2013, chapter 143, article 4, section 36, is amended to read:

1.8 Subdivision 1. **Agreement.** The city of Cloquet and Perch Lake Township, by  
1.9 resolution of each of their governing bodies, may establish the Cloquet Area Fire and  
1.10 Ambulance Special Taxing District for the purpose of providing fire or ambulance  
1.11 services, or both, throughout the district. In this section, "municipality" means home rule  
1.12 charter and statutory cities, towns, and Indian tribes. The district may exercise all the  
1.13 powers relating to fire and ambulance services of the municipalities that receive fire or  
1.14 ambulance services, or both, from the district. Upon application, any other municipality  
1.15 may join the district with the agreement of the municipalities that comprise the district at  
1.16 the time of its application to join.

1.17 Sec. 2. Laws 2009, chapter 88, article 2, section 46, subdivision 2, is amended to read:

1.18 Subd. 2. **Board.** The Cloquet Area Fire and Ambulance Special Taxing District  
1.19 Board is governed by a board made up initially of one or more elected officials of the  
1.20 governing body of each participating municipality in the proportions set out in the  
1.21 establishing resolution, subject to change as provided in the district's charter, if any, or  
1.22 in the district's bylaws. Each municipality's representatives serve at the pleasure of that  
1.23 municipality's governing body.

2.1 Sec. 3. Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended by  
2.2 Laws 2013, chapter 143, article 4, section 37, is amended to read:

2.3 Subd. 3. **Tax.** (a) The district board may impose a property tax on taxable property  
2.4 as provided in this subdivision to pay the costs of providing fire or ambulance services,  
2.5 or both, throughout the district. The board shall annually determine the total amount of  
2.6 the levy that is attributable to the cost of providing fire services and the cost of providing  
2.7 ambulance services within the primary service area. For those municipalities that only  
2.8 receive ambulance services, the costs for the provision of ambulance services shall  
2.9 be levied against taxable property within those municipalities at a rate necessary not to  
2.10 exceed ~~0.019~~ 0.40 percent of the estimated market value. For those municipalities that  
2.11 receive both fire and ambulance services, the tax shall be imposed at a rate that does not  
2.12 exceed 0.2835 percent of estimated market value. A property tax levied by the district to  
2.13 make debt service payments for obligations issued by the district pursuant to subdivision 4  
2.14 shall not be included when calculating the tax levy limits imposed in this subdivision.

2.15 (b) When a member municipality opts to receive fire service from the district or  
2.16 an additional municipality becomes a member of the district, the cost of providing fire  
2.17 services to that community shall be determined by the board and added to the maximum  
2.18 levy amount.

2.19 (c) Each county auditor of a county that contains a municipality subject to the tax  
2.20 under this section must collect the tax and pay it to the Fire and Ambulance Special Taxing  
2.21 District. The district may also impose other fees or charges as allowed by law for the  
2.22 provision of fire and ambulance services.

2.23 Sec. 4. Laws 2009, chapter 88, article 2, section 46, subdivision 4, is amended to read:

2.24 Subd. 4. **Public indebtedness.** (a) The district may incur debt in the manner  
2.25 provided for a municipality by Minnesota Statutes, chapter 475, and may issue certificates  
2.26 of indebtedness or capital notes in the manner provided for a city by Minnesota Statutes,  
2.27 section 412.301, when necessary to accomplish its duties. The debt service for debt used to  
2.28 finance capital costs for ambulance service shall be levied against taxable property within  
2.29 the municipalities in the primary service area. The debt service for debt used to finance  
2.30 capital costs for fire service shall be levied against taxable property within municipalities  
2.31 receiving fire services. The district board shall pledge its full faith and credit and taxing  
2.32 power without limitation as to rate or amount for the payment of the district's debt.

2.33 (b) For purposes of this subdivision, "municipality" has the definition given in  
2.34 Minnesota Statutes, sections 475.51, subdivision 2, and 475.521, subdivision 1, paragraph  
2.35 (c).

3.1 Sec. 5. Laws 2009, chapter 88, article 2, section 46, subdivision 5, is amended to read:

3.2 Subd. 5. **Withdrawal.** Notice of intent to withdraw from participation in the district  
3.3 may be given only in the month of January, with a minimum of twelve months notice of  
3.4 intent to withdraw. Withdrawal becomes effective for taxes levied pursuant to subdivision  
3.5 3 in the year when the notice is given. A property tax on taxable property located in a  
3.6 withdrawing municipality that has been levied by the district pursuant to subdivision 4  
3.7 remains in effect until the obligations outstanding on the date of withdrawal are satisfied,  
3.8 including any property tax levied in connection with refunding such obligations. The  
3.9 district and its members may also develop and agree upon other continuing obligations  
3.10 after withdrawal of a municipality.